

Therefore in conclusion, and as stated on page 8 of the submission, it is submitted that the rate freeze now in effect under the Freight Rates Reduction Act should be maintained for Atlantic provinces rates until the special examination referred to above has been conducted, completed, and acted upon. Therefore, Bill No. C-120 should be amended by adding a clause thereto to the effect that notwithstanding anything contained in the bill the freight rates in effect as of January 1, 1965, under the Freight Rates Reduction Act for the movement from, to, and within the select territory as defined in the Maritime Freight Rates Act, shall not be increased.

With your permission, Madam Chairman, I would now like to move to the supplementary submission.

It is so closely connected with the main submission that I would like to have it before the members of the committee before questions, which may be directed to us, are asked.

Supplemental Submission of the Maritimes Transportation Commission
to the Standing Committee on Railways, Canals and
Telegraph Lines Respecting Bill No. C-120

1. The Maritimes Transportation Commission makes this supplementary submission with respect to Exhibit V entitled "Maritime Rate Preference Under Bill No. C-120" prepared by the Department of Transport under date of March 10, 1965.

2. Exhibit V refers to the first paragraph in the report of the Duncan Commission on maritime claims and states:

That commission found that the preferential position of the maritimes in respect of rates on goods moving within the maritimes, which shippers in that area had enjoyed for many, many years, had been reduced by successive rate increases and should be restored.

Section 7 (formerly section 8) of the Maritime Freight Rates Act reads as follows:

7. The purpose of this act is to give certain statutory advantages in rates to persons and industries in the three provinces of New Brunswick, Nova Scotia and Prince Edward Island and in addition upon the lines in the province of Quebec mentioned in section 2, together herein after called 'select territory', accordingly the board shall not approve nor allow any tariffs that may destroy or prejudicially affect such advantages in favour of persons or industries located elsewhere than in such select territory.

3. It is submitted that the principal purpose of section 7 was to give an advantage to maritime shippers relative to persons or industries located elsewhere than in the select territory.

I may interpolate at this time that these references to what happened in 1927, and some years after that, are to the maritimes, but of course Newfoundland now is under the provisions of the Maritime Freight Rates Act and therefore, perhaps, when speaking of the present—certainly when speaking of what happened since 1949—you will understand that the reference should be to the Atlantic provinces.

Exhibit V states that the railways under the maximum-minimum scheme will be free to make rates as commercial requirements dictate but will still be subject to section 7 and that the railways will have to consider whether any rate action taken elsewhere will "destroy or prejudice" advantages given